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SUBJECT: BOSNIA: MOVING TOWARD WTO ACCESSION

¶1. Summary: Bosnia and Herzegovina's (BiH) World Trade Organization (WTO) accession team, led by the Ministry of Foreign Trade and Economic Relations (MoFTER) Secretary Hamdo Tinjak, is optimistic about BiH's chances for WTO accession in the next year or so. Following negotiations with the European Union (EU) in late April, Tinjak claims that the EU is on board with the final offer Bosnia is preparing. Tinjak will send this offer to the General Secretariat in mid-May. He also said that Bosnia will submit answers to all outstanding questions at the same time. He believes BiH can complete all final bilateral negotiations on the margins of the next Working Party meeting, which he hopes will be held in June. Tinjak is hopeful Bosnia can complete its accession package this year, and see it accepted by some time next year. He does not foresee any obstacles to ratification of the WTO package by the BiH Parliament. End Summary.

¶2. The BiH WTO accession team met with the Europeans in late April and reached agreement with them on BiH's agriculture and services offers. Tinjak said that he is hopeful the rest of the Working Party members, in particular the U.S., will accept them as well. BiH's new offer includes a 23% average agricultural tariff (NOTE: BiH's original offer was 17%, but the EU refused to accept this because it is lower than the EU tariff. End note). BiH hopes for developing country status with regard to agriculture (and therefore a 10% aggregate measures of support (AMS) rate). Tinjak said the EU was not opposed to this. In addition, BiH resolved its other outstanding issues with the EU, such as its offer on audio-visual materials.

¶3. Regarding progress on the questions and answers, Tinjak said that of the 300 original questions from 2003, there remain only 20 outstanding. The final answers will be prepared in May, in advance of the proposed June Working Party meeting. Tinjak notes that the only potential problem he foresees may be with the U.S. and Canada regarding BiH's services offer. He says a disagreement still exists regarding branch offices. According to Bosnian law, branches do not have the full ability to act as companies (to sign contracts, for example). In order to change this, BiH would be required to change its legislation, and Tinjak fears this would be extremely difficult. The BiH WTO team member working on SPS (Sanitary and Phytosanitary) issues, Nihad Fejzic, said that he believes most outstanding SPS issues can be successfully negotiated at the next Working Party meeting.

¶4. Comment. It appears BiH has finally made significant progress on its WTO accession process. Bosnian optimism may be misplaced, as some thorny issues with the U.S. still remain, to be discussed at its bilateral with the U.S. on the margins of the proposed June Working Party meeting. BiH still needs to pass certain legislation required prior to accession. Nonetheless, significant steps have been made in the right direction. Real progress toward WTO accession will

also aid BiH's hopes for satisfying the requirements for  
eventual EU accession. End comment.  
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